

## **Governor's Commission on Family Farms**

### **Meeting Minutes**

**August 6, 2003**

**The Governor's Commission on Family Farms met on Wednesday, August 6, 2003 at Berry Hill Mansion in Frankfort, Kentucky.**

#### **Members Present:**

Bill Atkins; Marc Johnson; Luther Mason; Jim Naïve; Louie Rivers; Bill Burnette designee for Commissioner Billy Ray Smith; Secretary Willie Lile; Dr. Robert Sparks; Janet Johnson; Faye Korthaus; Steve Moore; Bonnie Tanner; Gene Royalty; Al Pedigo

#### **Members Absent:**

John Berry; Jeff Hall; Shiela McCord; James Kirby Hancock; Denise Hoffman; David Kash; Sylvia Lovely; Ms Mattie Mack; Dr. Jennifer Marsh; Kenneth Mattingly; John Medley; William Brandon Reed; Susan Harkins; Charles Miller

#### **Governor's Office of Agricultural Policy Staff Present:**

Edith Fultz

#### **Guests:**

Susan Goddard, Workforce Development Cabinet; Nancy Cox, Associate Dean, UK College of Agriculture

#### **Welcome and Opening Remarks:**

Bill Atkins - Called the meeting to order and asked for roll call.

Ms. Atkins - Introduced Dean Scott Smith

Dean Smith – Gave a presentation on Value-Added Food Systems with handouts provided to the group (attached). He suggested to the Commission that Kentucky would benefit from a foundation for Kentucky agriculture and food systems which would be endowment funded and target investments in value-added. He mentioned a proposal to the Agricultural Development Board to build the endowment.

Dean Smith – Reported on the University of Kentucky explaining why these things are being addressed in the College of Agriculture

Nancy Cox – Offered comments about HB 391 on home based food processing. Ms. Atkins questioned whether farmers must have certified kitchens to get approval. Bonnie Tanner explained that they must have Certified Kitchens with Health Department approval and they can only sell at Farm Certified Road-Side stands or Farmers Markets. Dean Smith added that some in-home kitchens are approved. Ms. Tanner reiterated that they must meet certain standards. Janet Johnson told us regulations are being loosened somewhat for home processing and that honey production opened the door to this legislation. Ms. Tanner stated that honey producers worked with the Health Department and that the Health Department is the certifying body for food on the market.

Ms. Atkins - Asked where to get nutritional evaluation of products and if the University of Kentucky has this. Dean Smith responded yes, this should be available through their portable lab. He also told us this should fall under the umbrella of value-added. Ms. Tanner commented that they should have someone who knows what USDA's regulations are. Ms. Atkins explained this should be all encompassing of what comes off the farm. Dean Smith responded that most of the equipment the university has is for meats, but is as comprehensive as possible.

Jim Naïve – Stated that the endowment fund idea Dean Smith referenced in his presentation closely parallels the work of the Kentucky Center for Agricultural Development and Entrepreneurship. Dean Smith responded that he is not recommending reinventing the Kentucky Center for Agricultural Development and Entrepreneurship.

Bonnie Tanner - Offered comments about goat meat. Ms. Atkins stated that white tablecloth restaurants are not showing interest in goat meat. Susan Goddard and Marc Smith commented that it is very good. Ms. Atkins stated that goat meat would require a lot of promotion. There was further group discussion on this issue.

Ms. Atkins - Questioned if it would be possible to fund a state research foundation at this time. Dean Smith responded that it would be possible through the Agricultural Development Board. Ms. Atkins offered positive response to this endeavor.

### **Old Business:**

Gene Royalty - explained that we did not have a quorum at the last meeting so we could not take any legal action. He then called for a motion for approval of the June 11, 2003 meeting minutes. Jim Naïve made the motion to approve and Louie Rivers seconded the motion. The motion passed and the minutes were approved. Mr. Royalty called for a motion to approve the April 30, 2003 minutes. Luther Mason made the motion to approve and Marc Smith seconded the motion. The motion passed and the minutes were approved.

Ms. Atkins - Asked the group for input on the meeting schedule. She asked if the third Wednesday is better than the second Wednesday. The group responded that the third Wednesday is better. Ms. Tanner asked if the meetings should be monthly. Ms. Atkins explained that summer is a difficult time for farmers and suggested that we appoint an Executive committee to represent the full board so the Commission could function year round. There was group discussion on this issue.

Ms. Atkins - Suggested we appoint a Legislative Committee, Agriculture & Natural Resources Committee and an Oversight Committee. She suggested that we need someone who is interested in monitoring these committees and could develop a report by January. She stressed the need for this Commission to have a relationship with the Legislature. Ms. Tanner asked who is responsible for keeping track of bills. Mr. Royalty responded that the Kentucky Department of Agriculture (KDA) does this. Ms. Tanner suggested that KDA could alert us to these and make recommendations to the Commission.

Dr. Sparks – Reported that he and Ms. Atkins met with Carrie Banahan and others at the Department of Insurance for about 2 hours on affordable and assessable insurance in Kentucky on July 22. He explained that the Department of Insurance is the entity that regulates insurance in Kentucky and takes consumer complaints. He explained further how farmers and others could get group insurance and suggested that Farm Bureau and others could be a vehicle for access to Blue Cross and Aetna.

He told us that Farm Bureau offers catastrophic insurance with an \$800.00 deductible, but farmers cannot afford the premiums. He stated that this is a big problem to be addressed, as there are 40 million uninsured in the United States. He explained further about insurance companies and the need for group policies.

Ms. Tanner - Explained the K-Chip program and how it covers children up to 18 for families who don't exceed the maximum income level. There was further group discussion on this issue.

Ms. Atkins - Asked if we should go ahead with investigation of the insurance issue and asked Dr. Sparks to chair this committee. Ms. Tanner - offered information on a couple of federal grants for migrant workers.

### **New Business:**

A suggestion was made that we need to identify two or three graduates from the University of Kentucky that have done well in their development of entrepreneurship ideas so we could get the UK Alumni Association to run a story on these Kentucky alumni successes in Kentucky Alumni News Magazine. Mr. Royalty told us that there

have been two thousand applications to the ADB with twelve hundred approved. Janet Johnson suggested that pursuing donations from alumni could preserve structure and this should be a non-profit organization. Ms. Atkins stated that we should not request donations – we should build an awareness program to encourage them to buy Kentucky Products. There was further group discussion.

Ms. Tanner - Suggested the Alumni News as a vehicle to get the word out.

Ms. Atkins - Announced interviews planned by Bill Bryant with the Gubernatorial candidates and lieutenant Governor candidates. She requested questions from the Commission. Secretary Lile suggested they ask if they plan to continue funding for alternative crop research and value added. Al Pedigo suggested they ask about the Agricultural Development Fund and if they are committed to 50% of the tobacco settlement money to continue going to farmers.

Ms. Atkins – Suggested, what would be in the role of agriculture in economic development in Kentucky. She explained further. She also mentioned the rural development plan, the KDA and agro-tourism.

She asked if there were any questions from the cattle people. Mr. Pedigo suggested utilizing the Agriculture Water Quality Board or the agriculture leaders in the Department of Environmental Regulations.

Ms. Tanner - Asked if they are going to ask farmers for input. She explained that other industries seem to have more impact on policies than farmers.

Secretary Lile - Suggested that other industries are more organized than farmers and that farming as an industry is not recognized like other industries.

Mr. Pedigo - Commented about the executive order to keep hog industry without farmers input. Environmental regulations should be based on economic impact on farmers as well as environment.

Jim Naïve - Suggested that the question be addressed to the Gubernatorial candidates if they plan to have agriculture staff such as the Governor's Office of Agricultural Policy. What do they see as the role and function of this office? He explained that originally there was only an agricultural liaison – then this office was solidified with the birth of the Commission.

Ms. Atkins - Suggested the question be addressed to Gubernatorial candidates that if they were elected would they have an agriculture liaison in their office.

Secretary Lile - Brought up the subject of transient workers not being covered by workers comp and explained that those who are injured on the job end up in the system of Aid to Families With Children. Ms. Tanner commented about the risk to farmers who hire migrant workers. Secretary Lile suggested developing workers comp

subsidized insurance. She suggested that first we need to make sure migrant workers are here legally; second we need workers compensation insurance. Mr. Pedigo stated the liability insurance farmers carry covers this. There was group discussion.

Ms. Atkins – Asked Secretary Lile to bring a report to the next meeting. There was further discussion by the group.

Ms. Atkins – Addressed developing an executive committee.

Faye Korthaus – Asked how often we are meeting. Ms. Atkins responded that for the rest of this year we should meet monthly.

Ms. Atkins - Asked the group what committees this body should have.

Ms. Atkins Stated that we should be a listening post for the agriculture community. She expressed concern that the different committees don't know what each other are doing. Mr. Naïve suggested that Charles Miller is the best contact for the cattle industry. Mr. Pedigo suggested John Medley would be best for the pork industry.

Ms. Atkins - Explained that Kentucky is the third largest producer of goats in the nation. Mr. Naïve expressed the need for a large processor who could handle goats. Steve Moore told us that goats are being processed in Bardstown. He told us that they are U.S.D.A. graded and can be sold retail at small festivals. He told us they are pretty much sold directly to consumer.

Ms. Atkins - Suggested setting up an Executive Committee who could legally conduct business with or without a quorum of the entire board. She followed by asking for discussion on the idea of an executive committee. Secretary Lile suggested checking into the legalities of this with the Governor's Office of Agricultural Policy's legal council.

Ms. Atkins – Asked for recommendations to fill vacancies and asked members to send in 3 names. She pointed out that at this time we are not geographically well dispersed.

Mr. Royalty - Explained that the Kentucky Agriculture Finance Corporation offers opportunities for young people to get into farming.

Dean Smith – Told the group that they should be aware that we are going into the second phase. He explained that farmers have been in business long enough to have quality and that now they need to get into value added. We need to help with research and development of other ways to do this. Ms. Tanner commented about the research on alternative crops being done in Princeton. Ms. Atkins suggested that we have presentations from those people. Ms. Tanner responded that all we need to do is ask.

Ms. Atkins - suggested that this group should have an overall knowledge of agriculture in Kentucky. Secretary Lile commented that the KDA has information on their web

page. Ms. Atkins stated that people have trouble finding it. Secretary Lile suggested U.S.D.A. Ms. Atkins stated that this too is difficult to find.

Susan Goddard – Presented a brochure on Ag Day at the State Fair developed by Workforce Development and KDA. Ag Day will be August 21<sup>st</sup>. She explained that there will be 3 information sessions on Kentucky Proud, Kentucky Fresh, Finding and Hiring Employees and Workers Injury and Illness.

Secretary Lile – Talked about matching people with jobs. Susan Goddard stated that there are 4,400 people seeking employment in the agriculture industry and told us about the need for qualified managers needed in the horticulture industry. She told us they can help to get these people together.

Bill Atkins - Offered statistics on the agriculture industry telling us that equine is # 1 poultry is # 2 and beef is # 3. She asked what is driving the growth of the poultry industry. Mr. Pedigo confirmed these statistics. There was discussion.

Next Meeting Date – September 17<sup>th</sup>

The Meeting Adjourned at 1:00pm.